

HIGHLY TARGETED DIRECT MAIL CAMPAIGNS LEAD TO DOUBLE DIGIT ROI

Case Study

Marketing Solutions

Providence Medford Medical Center

External pressures were causing major roadblocks in business growth for this Oregon hospital.

In 2009, Providence Medford Medical Center (PMMC) faced a multitude of challenges to business growth, including increased competition and a depressed economy, both leading to a decrease in patient visits to their primary care physician group, Providence Medical Group. This in turn triggered a slowdown in specialty physician visits, and inpatient and outpatient surgeries at the hospital. To compound the worsening economic climate, a nearby competitor is three times its size and spends \$3 for every \$1 PPMC spends on marketing. PPMC was also forced to reduce its marketing department by a third due to a 30 percent decrease in the hospital's budget. Finally, the economic crisis hit the community of Medford hard with a 13.6 percent unemployment rate (one of the highest in country), resulting an increase in uninsured and unemployed consumers.

So with fewer dollars, staff, and patient visits, PPMC needed a cost-effective, yet high-yielding marketing campaign, in collaboration with the four employed primary care physician groups. This campaign would increase encounters and generate volume, growth, and downstream revenue to support the Providence Medical Group.

COURSE OF ACTION

Leveraging the Thomson Reuters *crmView*™ Marketing Solutions, PPMC devised two targeted campaigns. The objective of both was to drive visits to the physicians employed by Providence Medical Group.



The data provided by *crmView* allowed PPMC to find and target a demographic of 1,489 insured female heads of household aged 40 to 55 with a two-year lapse since the last visit to their primary care physician. Through a personalized letter from the chief medical officer, these lapsed patients were encouraged to visit their primary care physician at Providence Medical Group for a routine screening, with a focus on 'stage of life' procedures. The depth of the insights provided by the data in *crmView* allowed for the lapsed patient mailings to be relevant and personal to the recipient, with a focus on how a preemptive screening could benefit them in the light of the wider economic situation.

In contrast, the New Movers campaign was designed to introduce new patients to PPMC and its physicians and facilities, and again was tightly targeted to specific households. By culling the top 10 ZIP codes in its primary and secondary markets, PPMC built a list of 7,034 households with insurance. The mailing's focus was on generating appointments for the Providence Medical Group's primary care, OB-GYN, and pediatric physicians. Also included with the mailing was a refrigerator magnet with physician locations, phone numbers, a map, and a reply card. As an added incentive, anyone returning the reply card would receive a free pedometer.



THOMSON REUTERS
2010 HEALTHCARE ADVANTAGE AWARD

**PROVIDENCE MEDFORD
MEDICAL CENTER**

Location:
Medford, OR

Size:
168 bed acute and outpatient care facility with all private rooms

Scope and services:
A mission-based hospital with 50 employed physicians and 11 clinics. Providence Medford Medical Center (PMMC) serves the communities of Southern Oregon and northern California – a primary population of more than 197,000 and a secondary service area population of 81,688. The medical center specializes in stroke, rehabilitation, spine, robotic assisted surgery, and cancer, and also provides level III trauma services. As part of the Providence Health System, PPMC has access to the expertise, education, and experience of more than 34,000 healthcare employees and affiliated physician networks.

Solutions:
crmView™ Marketing Solutions



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The New Movers campaign ensured that a small group of people who would be actively looking for a healthcare provider were immediately made aware of PMMC.

For these campaigns to be successful, the marketing department needed to coordinate with not only other hospital administrators, but also the physicians employed by Providence Medical Group. The marketing team realized just how essential cross-the-board collaboration is to campaigns of this nature: the physicians provided vital information on the types of screenings the mailings should focus on; the marketing department, in partnership with Thomson Reuters, researched which demographics would yield the greatest response and devised the campaigns; and the front office managers administered the process when consumers started to respond. This collaboration and this connected series of events put PMMC in a position to analyze their inner workings, strategize accordingly, and build a solid campaign approach.

OUTCOMES

PMMC was quick to see the benefits of these two campaigns. By dividing time and resources between two separate demographics, they were able to focus more intently on the individual needs of these groups. They knew the existing patients were already satisfied with their physicians and the level of care they received at PMMC, and therefore the mailings didn't need to explain the services in detail or any other logistical information. The mailing simply provided a gentle reminder from their healthcare provider that regular check ups are a good idea. On the other hand, the New Movers mailing detailed the necessary logistics and pertinent information for the recipient, including the number of physicians, easy access, facilities, etc. With the help of Thomson Reuters, PMMC created two campaigns which complimented each other and were hugely successful in their primary and secondary markets.

Lapsed patients:

- The mailings yielded 112 appointments for a 7.5 percent conversion rate in the first month alone
- Eight percent of the initial 1,489 individuals receiving the mailings converted to downstream activity (based on two months of data),

“Thomson Reuters demonstrated to us how a small, smart, cost-effective marketing campaign can effectively generate great results.”

Kathryn Bazylewicz

Director of Marketing and Communications
Providence Medford Medical Center

- generating 238 encounters with nearly half of the encounters going to an outpatient setting and the other to the Providence Medical Group.
- The 238 downstream encounters represented a profit of more than \$100,000 (from \$207,779 in downstream charges), from an initial investment of \$4,500, translating into an ROI of 15:1

New movers:

- One percent (80 people) of mailing respondents converted into new patients in the first year
- 19 percent (1364 households) converted to downstream activity, generating 10,081 encounters, or 7.39 encounters per household
- Downstream charges totalled \$9,493,761 (with \$1,905,896 in direct costs) from an initial investment of \$44,711, translating into an ROI of 20:1
- PMMC attributed 50 percent of new business downstream and 10 percent of existing business downstream to the marketing campaign

In 2010, PMMC was acknowledged for its accomplishments in the pursuit of excellence in performance efficiency with a Healthcare Advantage Award from Thomson Reuters. The Healthcare Advantage Award was established in 2005 to honor and recognize customers who have used Thomson Reuters solutions and tools to achieve outstanding success at their organizations.

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